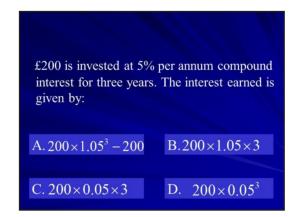


## **New Maths GCSE: R9 - Compound Interest**

Name:	Date:
A bank pays compound interest of 5% each year. Kate deposits £500.  Which calculation below would work out how much money Kate would have in her bank after 3 years?  A $(500 \times 1.05) \times 3$ B $500 \times 1.05 \times 1.05 \times 1.05$ C $500 + (3 \times 1.05)$ D $1.05 \times 500^3$	Correct Answer: A B C D Explanation:
Each year, Peter gets a pay rise of 8%. Initially he is paid £20,000  Which calculation below shows show much Peter is paid at the end of 2 years?  A $20000 \times 1.8^2$ B $20000 \times 1.08 \times 2$ C $20000 + 1.08 \times 1.08$ D $20000 \times 1.08^2$	Correct Answer: A B C D Explanation:
Each year, my car depreciates in value by 12%. At the moment it is worth £1,500  Which calculation below shows show much my car is worth after 4 years?  A $1500 \div 1.12^4$ B $1500 - 1.12 \times 1.12 \times 1.12 \times 1.12$ C $1500 \times 0.88 \times 0.88 \times 0.88 \times 0.88$ D $1500 \times 1.12^4$	Correct Answer: A B C D Explanation:



Correct Answer: A B C D
Explanation:

	Compound interest		
£600 is invested at a compound interest rate of 5% per annum.			
What is it worth after 3 years?			
A: £694.58	C: £690		
B: £694.56	D: £694		

Correct Answer: A B C D	
Explanation:	
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